
OVERSIGHT BOARD

Successor Agency to the Redevelopment Agency of the City of Burbank

MINUTES – JULY 21, 2016

I. CALL TO ORDER

A regular meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Burbank was held in the Community Services Building – Room 101, 150 North Third Street, Burbank, CA 91502. The meeting was called to order at 3:00 p.m. by Chair, Richard Dixon.

II. ROLL CALL

Present Members Dixon, Swartz, Kukta, Sola and Young.

III. PUBLIC COMMENT

An opportunity to receive public comment was provided, however, no public comment was received.

IV. APPROVAL OF MINUTES

The minutes of the May 18, 2016 Board meeting were approved as submitted. Ms. Kukta made the motion, seconded by Mr. Swartz, and carried by a vote of 5:0.

V. PROPERTY DISPOSITION

Board Chair Dixon briefly summarized the matter of the proposed transfer of the Successor Agency's 25 percent undivided ownership interest in the property at 10 West Magnolia Boulevard to the City of Burbank in exchange for the write-down of debt. He stated that it was his opinion that the Board did not have concerns with the total value of the property, but believed that the issue of concern for the Board related to the two discounts of 25 percent each associated with the minority interest and lack of marketability/liquidity.

Board members discussed the matter of discounting the Successor Agency's ownership interest, with arguments generally related to: the relationship between the former Redevelopment Agency and the City and whether a discount should be granted at all; the value of the property and what it would sell for on the open market given the minority interest; and if a discount was to be offered, what the appropriate amount would be and how that would be negotiated.

Staff described the possible option of simply passing a resolution at a certain amount and letting the Council decide if it was acceptable. City Attorney Albano stated that if the Oversight Board wanted a bargaining position and wanted to negotiate the amount with a representative from the City, that City staff would have to step away from the transaction and the Oversight Board would have to find new representation.

Board Chair Dixon framed the issue asking if the Board should appoint a negotiator or simply pass a resolution/make an offer. Board member Kukta

made a motion to approve one discount of 25 percent. The motion was seconded by Board member Young. Board member Sola requested an impromptu closed session meeting with only board members. Board Chair Dixon recessed the meeting at approximately 3:20pm and the meeting was called back to order at approximately 3:25pm.

Board member Young stated that he wanted to make a disclosure and apologized for not making it at the start of the item. He said he has worked on this transaction but has no conflict of interest, legal or otherwise. He also stated that in his position as an employee of the City, he is tasked with negotiating real estate transactions for the City, but that he has informed the City Attorney's Office that he would be representing the Oversight Board and not participating in the negotiations or discussions with the City Council on the transaction.

Board Chair Dixon stated that the Oversight Board had what amounted to a closed session meeting and that no action had been taken. He further stated that there was a motion before the Board. Ms. Kukta repeated her motion of approving the transaction with one 25 percent discount. The motion passed 4:1, with Board member Swartz dissenting.

City Attorney Albano asked that the Board consider the proposed Resolution in addition to the motion. Board Member Kukta moved that the Board adopt a Resolution approving the transfer of the Successor Agency's 25 percent interest in the property for \$861,563 to the City (which reflects only one minority share discount of 25 percent) in exchange for a write-down in debt. The Resolution passed 4:1, with Board member Swartz dissenting.

VI. BOARD & STAFF COMMENTS

Implementing Official Giraldo said that the next meeting would be at the end of the calendar year to review and approve the ROPS.

VII. ADJOURNMENT

The meeting was adjourned by Board Chair Dixon at approximately 3:35 p.m.